

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7917

BILL NUMBER: HB 1728

DATE PREPARED: Feb 1, 2001

BILL AMENDED:

SUBJECT: Local Public Improvement Bond Banks.

FISCAL ANALYST: Diane Powers

PHONE NUMBER: 232-9853

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill adds excluded cities (certain communities in Marion County) and public schools to the list of qualified entities from which a local public improvement bond bank may purchase certain securities. The bill also grants a local public improvement bond bank the powers necessary to carry out an equipment leasing program and makes conforming changes.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill expands the base of qualified entities which may secure financing through local public improvement bond banks. These new entities include an excluded city (Beech Grove, Lawrence, Southport, and Speedway), and public schools.

The bill also allows these bond banks to set up equipment leasing programs.

These two provisions will allow qualified entities to obtain lower borrowing costs and additional financing options for budgetary purposes.

Background: Currently, there are only two local improvement bond banks operating; one in Indianapolis and one in Lawrenceburg. These bond banks can buy and sell securities for qualified entities in order to lower their respective borrowing costs. The securities issued by the bond banks are payable from taxes, revenues, charges, assessments, proceeds of funding or refunding bonds or notes, or any combination of these sources. The Indianapolis Local Public Improvement Bond Bank has provided financing for the city of Indianapolis, Marion County, and many of its special taxing districts.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local public improvement bond banks.

Information Sources: Karen Arland, Ice Miller, 236-2244.